



# DOR NewsRelease

Commonwealth of Massachusetts

Department of Revenue

For Release:

Monday, September 13, 2004

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## Control Board Investigates Use of More Than \$10 Million

The Springfield Control Board, as part of its continuing review of the city's accounts, has uncovered evidence that at least \$10 million of school building funds have been used to pay for municipal operating expenses.

School buildings are financed through bond funds that must, under state law, be handled separately from operating cash. Construction projects completed in the 1990s did not use all the available funds.

"Since the school committee did not know the whereabouts of the excess money, we immediately launched an effort to determine who had possession of the cash and what happened to it," Control Board Chairman Alan LeBovidge said.

An on-going investigation has determined that funds were, in fact, used inappropriately to meet the city's operating cash needs.

The implications of the cash diversion are still under review. The city may be subject to penalties and other costs. In addition, whatever cash was diverted would need to be replenished from the \$52 million trust established by the legislature to aid in Springfield's economic recovery.

On September 1, the Control Board reported that the city's operating deficit was at least twice the level previously disclosed by municipal officials. Diverted cash only makes the gap larger, according to LeBovidge.

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